

## FINANCIAL AND ECONOMIC RELATIONS; CLAIMS

*Exchange of notes verbales at Rome February 24, 1949, supplementing  
memorandum of understanding of August 14, 1947*

*Entered into force February 24, 1949*

63 Stat. 2415; Treaties and Other  
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*The American Embassy to the Ministry for Foreign Affairs*

EMBASSY OF THE  
UNITED STATES OF AMERICA

F.O. No. 2450

### NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to previous correspondence between the Embassy of the United States of America and the Ministry of Foreign Affairs, and to conversations between representatives of the Embassy and of the Ministry with regard to the desirability of clarifying the meanings of the phrases (1) "deterioration of the physical property while under Italian control," and (2) "where the physical property has suffered nonsubstantial damage as a result of acts of war." Such phrases appear in the second sentence of Article 3 [III], paragraph 16 (a) of the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters," signed in Washington on August 14, 1947<sup>1</sup> (hereinafter referred to as the Memorandum of Understanding) and relate to the obligation of the Government of Italy to restore property to complete good order.

As a result of these communications and conversations agreement has been reached with regard to the foregoing matters and certain other connected problems, subject, however, to confirmation by the Governments of the United States of America and Italy.

The Embassy takes pleasure in informing the Ministry that the Government of the United States of America gives its approval and is prepared to

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<sup>1</sup> TIAS 1757, *ante*, p. 215.

enter into the agreement referred to above (hereinafter referred to as the "agreement"), which is as follows:

1. The Government of Italy shall in all cases where the approved amount of a claim is, at the date of payment, 1,500,000 lire or less, consider that the claim relates to deterioration of physical property while under Italian control or to non-substantial damage as a result of acts of war, and shall therefore pay the full amount of the claim. In all cases, moreover, where the approved amount of a claim is, at the date of payment, in excess of 1,500,000 lire, but two-thirds of such approved amount is less than 1,500,000 lire, the Government of Italy shall pay the sum of 1,500,000 lire.

2. The Government of Italy shall in all other cases pay two-thirds of the approved amount of a claim.

3. The obligation of the Government of Italy under the first sentence of paragraph 16 (a) of the Memorandum of Understanding is understood to remain unimpaired. Property or interests which were subjected to the measures enumerated in that first sentence in a manner not deemed to have been in the best interest of such property or interests shall, if in existence, be returned irrespective of the possession or purported ownership thereof. Where, however, property or interests cannot be returned because they are not in existence, the provisions of paragraphs 1 and 2 of this agreement shall apply.

4. A claimant may present separate claims in those instances where the properties with respect to which he is claiming are not physically contiguous and do not form part of a related whole.

Properties of a commercial or business enterprise that are used in the prosecution of the activities of that enterprise shall be considered as forming part of a related whole. In an instance where separate claims can properly be presented, each claim shall be entitled to separate consideration under this agreement.

5. (a). The word "claim" shall be deemed to refer to claims presented against the Government of Italy by nationals of the United States of America under paragraph 4 of Article 78 of the Treaty of Peace<sup>2</sup> and Article 3 of the Memorandum of Understanding.

(b). A national of the United States shall be considered, for purposes of the Memorandum of Understanding and of this agreement, as any person, corporation or association on whose behalf the Government of the United States would be entitled to claim the benefits of Article 78 of the Treaty of Peace or of the Memorandum of Understanding or of both.

6. Any dispute that may arise in giving effect to the Memorandum of Understanding or to this agreement shall be submitted to a Conciliation Commission constituted under Article 83 of the Treaty of Peace in the same

<sup>2</sup> TIAS 1648, *ante*, vol. 4, p. 341.

manner as a dispute that may arise in giving effect to Article 78 of the Treaty of Peace.

If the Government of Italy is prepared to give its approval to the foregoing agreement, it is suggested that a Note Verbale indicating such approval be transmitted by the Ministry of Foreign Affairs to the Embassy of the United States of America. The agreement shall be considered as having entered into effect as of the date of such Note Verbale.

*Rome, February 24, 1949.*

JCD

To the

MINISTRY OF FOREIGN AFFAIRS,  
*Rome.*

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*The Ministry for Foreign Affairs to the American Embassy*

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS  
S. E. T.

45/03662/26

NOTE VERBALE

The Ministry of Foreign Affairs has the honor to confirm to the Embassy of the United States of America the receipt of Note Verbale No. 2450 of this date, which is transcribed below:

[For text of U.S. note, see above.]

The Ministry of Foreign Affairs has the honor to communicate to the Embassy of the United States of America that the Italian Government gives its approval to the above-mentioned agreement.

*Rome, February 24, 1949.*

MINISTRY OF FOREIGN AFFAIRS

THE EMBASSY OF THE UNITED STATES OF AMERICA  
*Rome*